



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

September 23, 1998

EA 98-065

William T. Cottle, President and
Chief Executive Officer
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, Texas 77483

SUBJECT: NRC INSPECTION REPORT 50-498/97-06; 50-499/97-06

Dear Mr. Cottle:

Thank you for your letter of January 7, 1998, in response to our letter and Notice of Violation dated December 8, 1997. In your response, we noted that for Notice of Violation 97006-08, regarding the failure to evaluate if a plant change involved an unreviewed safety question, the South Texas Project concurred that the violation occurred. We have reviewed your reply and find it responsive to the concerns raised in our Notice of Violation. We will review the implementation of your corrective actions during a future inspection to determine that full compliance has been achieved and will be maintained.

In your response to Notice of Violation 97006-04, regarding a failure to perform a Technical Specification surveillance, you do not agree that a violation occurred. Nevertheless, you provided a description of temporary procedures implemented pending resolution of this issue. More specifically, you included in your surveillance procedures a requirement to verify at least once every 31 days that the test, vent, and drain valves associated with the 10 primary containment penetrations discussed in the cited violation are closed. ||
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South Texas Project's position is that the primary containment penetrations associated with the auxiliary feedwater system and the component cooling water system are not required to be closed during accident conditions and that, therefore, Technical Specification Surveillance Requirement 4.6.1.1 does not apply to these penetrations. After careful review of your response, for the reason described below, it is the NRC's position that the wording in Technical Specification 4.6.1.1 requires that all manual valves, blind flanges, or deactivated automatic valves, serving as an isolation barrier, are verified as being closed regardless of whether the other valve in the penetration, if any, is an automatic valve. In this case, the vent and drain valves serve as such a barrier.

Notwithstanding your administrative controls for these valves, the surveillance requires that, except for valves inside containment, penetrations shall be verified to be in the required position at least once every 31 days. Your Final Safety Analysis Report includes drawings which provide definitions for each containment penetration boundary in Figure 6.2.4-1, Sheets 1 through 100. These drawings specifically list all of the test, vent, and drain valves which are the

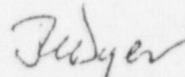
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subject of the Notice of Violation issued in NRC Inspection Report 50-498;499/97-06. Accordingly, these valves are a part of the containment boundary and within the scope of Technical Specification Surveillance Requirement 4.6.1.1.a. Therefore, the NRC has determined that a violation of Technical Specifications did occur.

However, after review of all the information, and after consultation with the Director, Office of Enforcement, the NRC has concluded that enforcement discretion in accordance with Section VII.B.6 of the Enforcement Policy is warranted. The bases for the decision to exercise discretion include: (1) the violation is of low regulatory and safety significance, (2) there is some lack of clarity in the Technical Specification requirement, and (3) your pending Improved Standard Technical Specification submittal, if approved, will resolve the lack of clarity by removing the requirement to verify that these valves are closed if they are locked, sealed or otherwise secured. As a result, we hereby withdraw the Notice of Violation issued for this case.

This letter serves to document withdrawal of the violation and completes NRC action in this matter. No formal response to this letter is required. Should you have any questions concerning this matter, please contact me at (817) 860-8226 or Thomas P. Gwynn of my staff at (817) 860-8248.

Sincerely,



James E. Dyer
Deputy Regional Administrator

Docket Nos.: 50-498, 50-499
License Nos.: NPF-76, NPF-80

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bcc to DCD (IE01)

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South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

January 7, 1998
NOC-AE-0045
File No.: G02.04.02
10CFR2.201
STI: 30522916

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U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498; STN 50-499
Reply to
Notices of Violation 97006-04 and 97006-08

The South Texas Project has reviewed Notice of Violation 97006-04, regarding failure to perform a Technical Specification surveillance, and Notice of Violation 97-006-08, regarding failure to evaluate if a plant change involved an unreviewed safety question, both dated December 8, 1997, and submits the attached replies.

As you will note regarding Notice of Violation 97006-04, the South Texas Project does not agree that a violation of Nuclear Regulatory Commission requirements occurred. However, Section III of our response provided in Attachment 2 describes action we have initiated to resolve this issue.

Attachment 3 confirms an earlier commitment made to the Nuclear Regulatory Commission to provide assurance that low temperature-overpressure conditions are not encountered with the cold overpressure mitigation system out of service. In addition to the commitment confirmation discussed in Attachment 3, this attachment lists the other commitments made to the Nuclear Regulatory Commission in this letter.

If there are any questions regarding this reply, please contact Mr. S. M. Head at (512) 972-7136 or me at (512) 972-8686.

L. E. Martin
Vice President,
Nuclear Assurance & Licensing

KJT/kjt

Attachment: 1) Reply to Notice of Violation 97006-08
2) Reply to Notice of Violation 97006-04
3) Confirmation of Commitment

98-0571

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Reply to Notice of Violation 97006-08

I. Statement of Violation:

During a NRC inspection conducted on August 10 through October 4, 1997, a violation of NRC requirements was reported. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions, NUREG-1600", the violation is stated below:

10 CFR 50.59 states, in part, that, the holder of a license authorizing operation of a utilization facility may make changes in the facility as described in the safety analysis report, without prior Commission approval, unless the proposed change involves a change in the Technical Specifications or an unreviewed safety question. Paragraph (b)(1) further states that the licensee shall maintain records of changes in the facility and of changes in procedures made pursuant to this section, to the extent that these constitute changes to the facility as described in the safety analysis report. These records must include a written safety evaluation which provides the basis for the determination that the change does not involve an unreviewed safety question.

Contrary to the above, from September 1992 until August 20, 1997, the licensee failed to maintain records of the installation and operation of the advanced liquid processing system, a change to the facility as described in the safety analysis report that included a written safety evaluation in that, in September 1992, the licensee failed to evaluate the installation and operation of the system to determine if the change involved an unreviewed safety question, because plant workers had indicated that the installation and operation of the advanced liquid processing system did not constitute a change to the facility as described in the safety analysis report.

This is a Severity Level IV violation (Supplement I) (498;499/97006-08).

II. South Texas Project Position:

South Texas Project concurs that the violation occurred.

III. Reason for the Violation:

The cause of this event was a lack of clear management expectations in that less conservative interpretations of what constitutes a "change to the facility as described in the SAR" were applied during this change process.

IV. Corrective Actions:

1. Unreviewed Safety Question Evaluation , 97-0018 has been performed and the Updated Final Safety Analysis Report description has been changed to reflect the addition of the Advanced Liquid Processing System.
2. The plant procedure for performing 10CFR50.59 Evaluations will be revised by June 30, 1998 to more clearly define what constitutes a "change to the facility as described in the SAR" based on current industry and regulatory guidance and current management expectations.
3. Information from this issue will be incorporated into 10CFR50.59 training and lessons learned training for personnel who perform and review 10CFR50.59 evaluations to further heighten awareness relative to current station and regulatory expectations. This action will be completed by August 1, 1998.

V. Date of Full Compliance:

The South Texas Project is in full compliance.

VI. Additional Information

South Texas Project realizes that the issues surrounding 10CFR50.59 evaluations are still developing between the industry and the NRC. To support this ongoing evolution South Texas Project has established a 10CFR50.59 steering committee to follow industry and regulatory positions, and integrate changes into station training and procedures based on new developments. This effort is expected to continue until the issues related to the 10CFR50.59 process are settled. So far the steering committee has made and implemented several suggestions based on current industry issues that resulted in changes to station expectations.

Reply to Notice of Violation 97006-04

I. Statement of Violation:

During a NRC inspection conducted on August 10 through October 4, 1997, a violation of NRC requirements was reported. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions, NUREG-1600", the violation is stated below:

Technical Specification 4.6.1.1.a requires, in part, that primary containment integrity shall be demonstrated at least once per 31 days by verifying that all penetrations not capable of being closed by operable containment automatic isolation valves and required to be closed during accident conditions are closed by valves, blind flanges, or deactivated automatic valves secured in their positions.

Contrary to the above, from initial plant operations until August 29, 1997, test, vent, and drain lines within the isolation boundary of 10 primary containment penetrations, not capable of being closed by operable containment automatic isolation valves and required to be closed during accident conditions, were not verified to be closed at least once per 31 days.

This is a Severity Level IV violation (Supplement I) (498;499/97006-04).

II. Background:

Certain systems are required to perform a safety function following an accident and their associated primary containment penetration paths are required to be open during accident conditions for the systems to perform their function. Two of these systems are Auxiliary Feedwater and Component Cooling Water which include the 10 primary containment penetrations in the violation cited above. The valve positions associated with the test, vent, and drain lines within the isolation boundary of the 10 primary containment penetrations have been administratively controlled by the South Texas Project locked valve program since initial plant operations to ensure that containment integrity is met. Plant procedures ensure that the test, vent, and drain valves are locked closed and that the pipe caps are installed when the valves are not in use. The positions of these valves were verified in September 1997 when this issue was identified and these valves have been verified closed at least once per 31 days under administrative controls since October 1997. In addition to this temporary action, test, vent, and drain valves for primary containment penetrations, not capable of being closed by operable containment automatic isolation valves and required to be closed during accident conditions were verified to be included in surveillance procedures.

III. South Texas Project Position:

The South Texas Project does not agree that the test, vent, and drain lines within the isolation boundary of 10 primary containment penetrations associated with the Auxiliary Feedwater system and the Component Cooling Water system are required by South Texas Project's Technical Specifications to be verified closed at least once per 31 days. The primary containment penetrations associated with the Auxiliary Feedwater system and the Component Cooling Water system are not required to be closed during accident conditions; therefore, Technical Specification Surveillance Requirement 4.6.1.1 does not apply to these penetrations. These penetrations are required to be opened during accident conditions in order to perform their design safety function.

As written, the South Texas Project Technical Specifications specifically excludes penetrations that must remain open post accident from the 31 day verification requirement. Since the valves in question are on penetrations that remain open post accident, the South Texas Project finds no requirement in the Technical Specifications to perform the 31 day verification on the subject valves.

From a safety perspective, these subject valves are included in the locked valve program and the vents and drains are capped. Since the associated systems contain water under pressure during normal operations, an open vent or drain would be readily obvious to plant operators based on increasing sump levels or system inventory loss. In the Westinghouse Standard Improved Technical Specifications, NUREG-1431, the requirement for periodic position verification of test, vent and drain valves on containment penetrations is relaxed in that valves locked, sealed, or otherwise secured are not required to be verified closed at least once every 31 days. These valves are not required to be surveyed other than to verify they are in the correct position upon locking, sealing, or securing. The South Texas Project current practice regarding control of these valves is consistent with this approved NRC position for the safe operation of the plant.

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The NRC has issued this violation to another licensee and has developed an internal interpretation of the subject technical specification requirement. It is the South Texas Project's position that this is not an appropriate method for issuing an interpretation of the South Texas Project Technical Specification requirements. NRC Information Notice 97-80, *Licensee Technical Specifications Interpretations*, dated November 21, 1997 provides appropriate guidance for resolving technical specification questions or clarifying technical specification requirements. As no written interpretation of the South Texas Project Technical Specifications has been provided by the NRC, it is the South Texas Project's position that our Technical Specifications should be interpreted literally as described above. The only written generic NRC position that the South Texas Project is aware of regarding this technical specification surveillance requirement appears to be that found in NUREG-1431. The current South Texas Project practice is consistent with this NRC position.

Notwithstanding the above and as a result of the concern in this area, action has been initiated pending resolution of this issue or approval of the South Texas Project amendment request for implementation of Improved Technical Specifications. A temporary procedure has been implemented to require verification at least once every 31 days that the test, vent, and drain valves associated with the 10 primary containment penetrations discussed in the cited violation are closed.

IV. Reason for the Violation:

As noted above, the South Texas Project does not believe that a violation occurred.

V. Corrective Actions:

No corrective action is necessary as a result of this issue.

VI. Date of Full Compliance:

The South Texas Project continues to be in full compliance.

Confirmation of Commitment

NRC Inspection Report 50-498/97-06; 50-499/97-06 dated December 8, 1997 reported that while reviewing the South Texas Project administrative controls for backup pressurizer heaters with the cold overpressure mitigation system out of service, NRC inspectors identified that the required administrative controls over systems or components that could result in a reactor coolant system mass or temperature increase were not readily identifiable as procedural steps in one procedure intended to assure this. The South Texas Project has revised plant procedure OPOP03-ZG-0001, "Plant Heatup", to specifically delineate the required administrative controls which will provide assurance that low temperature-overpressure conditions are not encountered.

Other commitments to the NRC:

1. Unreviewed Safety Question Evaluation , 97-0018 has been performed and the Updated Final Safety Analysis Report description has been changed to reflect the addition of the Advanced Liquid Processing System.
2. The plant procedure for performing 10CFR50.59 Evaluations will be revised by June 30, 1998 to more clearly define what constitutes a "change to the facility as described in the SAR" based on current industry and regulatory guidance and current management expectations.
3. Information from the issues surrounding Notice of Violation 97006-08 will be incorporated into 10CFR50.59 training and lessons learned training for personnel who perform and review 10CFR50.59 evaluations to further heighten awareness relative to current station and regulatory expectations. This action will be completed by August 1, 1998.
4. Action has been initiated pending resolution of the issue regarding surveillance of containment isolation valves for penetrations identified in Notice of Violation 97-004 or approval of the South Texas Project amendment request for implementation of Improved Technical Specifications. A temporary procedure has been implemented to require verification at least once every 31 days that the test, vent, and drain valves associated with the 10 primary containment penetrations discussed in the cited violation are closed.